



DEFENSE ACQUISITION UNIVERSITY

CON 232 - Overhead Management of Defense Contracts

090210

Course Learning/Performance Objectives followed by its enabling learning objectives on separate lines if specified.

1	<p>Given cost data, calculate the amount of indirect expense to be assigned to a contract so that a fair and reasonable price may be obtained.</p> <p>Distinguish among the following terms:</p> <p>Indirect costs, direct costs, allocation base, pool, G&A, fringe benefits, intermediate pools, and under/overapplied overhead.</p> <p>Identify cost elements within the contractors indirect cost pools.</p> <p>Describe the process for developing and applying an indirect rate.</p>
2	<p>Given a sales forecast, develop pool expenses so that an equitable indirect rate is determined.</p> <p>Determine elements of cost in overhead and G&A Pools.</p> <p>Identify the effects of establishing off-site rates on an existing rate structure.</p> <p>Explain the inverse relationship of business base to overhead rates.</p>
3	<p>Given forecasted sales data, construct an indirect cost base so that the first step in rate development can be determined.</p> <p>Determine elements that make up a sales forecast.</p> <p>Discuss types of acceptable bases for allocation of overhead and G&A expenses.</p> <p>Examine the relationship between labor rates and the business base.</p>
4	<p>Given a scenario, apply the appropriate life cycle overhead rates to a contract action.</p> <p>Describe the FAR requirements for forward pricing rates, billing rates, and final overhead rates.</p> <p>Compare and contrast the forward pricing rate, billing rate, and final overhead rate processes.</p> <p>Explain the impact of forward pricing rates, billing rates, and final overhead rates on different contract types.</p>
5	<p>Given cost data and other applicable resources, distinguish between cost allowability and cost allocability so that government approved indirect rates can be determined.</p> <p>Identify Government regulations applicable to cost allowability and cost allocation and describe them.</p> <p>Distinguish between allowable and unallowable costs.</p> <p>Relate legal cases to the concepts of allocation and allowability and the allocation of direct and indirect costs.</p>
6	<p>Given a list of expenses, compute IR&D/B&P rates so that they can be applied to a Government contract.</p> <p>Recognize how IR&D/B&P costs are allocated and are charged to contracts.</p> <p>Calculate the IR&D/B&P rate both as a separate rate and as part of the G&A rate.</p> <p>Explain the conditions under which B&P costs may be direct charged to a contract.</p>
7	<p>Given a scenario, apply the appropriate life cycle overhead rates to a contract action.</p> <p>Discuss the activity based costing process.</p> <p>Explain why traditional cost allocation methods are being challenged.</p> <p>Allocate costs using activity based costing.</p>
8	<p>Given a group of capital assets, calculate the cost of capital asset expenditures through the depreciation process.</p> <p>Distinguish between capitalizing and expensing assets.</p> <p>Recognize the various methods of depreciation.</p> <p>Calculate depreciation.</p> <p>Explain the concept of facilities capital cost of money.</p> <p>Explain the rules of gains and losses on depreciable assets.</p>
9	<p>Given cost data and other applicable resources, judge between contractor and government negotiation positions on cost allowability and cost allocation so that government approved indirect rates can be determined.</p> <p>Explain the general treatment of unallowable costs on billings, claims, and application of penalties.</p> <p>Distinguish the treatment of unallowable costs which are normally a part of an indirect cost base and those which are included in the indirect cost pool.</p> <p>Explain the concept and treatment of directly associated costs.</p>